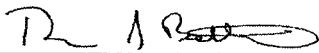



<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 05-002	2. STATE Arizona
<b>FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE March 9, 2005	
5. TYPE OF PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION:		7. FEDERAL BUDGET IMPACT: a. FFY 2004-2005                      \$0 b. FFY 2005-2006                      \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  SUPPLEMENT 8b to ATTACHMENT 2.6-A, page 1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  SUPPLEMENT 8b to ATTACHMENT 2.6-A, page 1	
10. SUBJECT OF AMENDMENT: Allows for the continued exclusion, up to \$4500, of an automobile not excluded under 1613(a)(2)(A).			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:	
13. TYPED NAME: Thomas J. Betlach			
14. TITLE: Deputy Director			
15. DATE SUBMITTED: March 17, 2005			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: March 21, 2005		18. DATE APPROVED: March 5, 2005	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: March 9, 2005		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Linda Minamoto		22. TITLE: Associate Regional Administrator Div. of Medicaid & Children's Health	
23. REMARKS:			

**MORE LIBERAL METHODS OF TREATING RESOURCES  
UNDER SECTION 1902 (r)(2) OF THE ACT\***

     Section 1902(f) State

  X   Non-Section 1902(f) State

1. The following resource methodology applies to individuals covered in Section 1905(p) (QMB, SLMB, and QI-1) and, except for ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(A)(ii)(I) of the Act, aged, blind or disabled individuals covered in Section 1902(a)(10)(A)(ii)(I) of the Act:

All resources shall be excluded.

2. The following resource methodology applies to individuals covered in Section 1902(a)(10)(A)(ii)(V):
  - a. Rather than the disregards described at section 1613(d) of the Social Security Act, the following disregards are used:
    - Term insurance;
    - Burial insurance;
    - Assets that an individual has irrevocably assigned to fund the expenses of a burial;
    - The value of all life insurance when the face value does not exceed \$1,500 (total per insured individual) and the policy has not been assigned to fund a pre-need burial plan or declaratively designated as a burial fund;
    - Burial plot items as defined in 1613(a)(2)(B) of the Social Security Act;
    - At the time of the eligibility determination, \$1,500 of the equity value of an asset declaratively designated as a burial fund or a revocable burial arrangement when there is no irrevocable burial arrangement, and
    - If an individual remains continuously eligible, all appreciation in value of his assets will also be disregarded.
  - b. Disregard up to \$4,500 of the equity value of one automobile that is not excluded under 1613(a)(2)(A) in the resource eligibility determination.
  - c. Disregard the value of oil, mineral and timber rights in the resource eligibility determination.